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Goodwill Capitalism

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Questioning the Rationality of Current Economic Systems:

Being poor is never a choice, unless the number of opportunities are limitless – and we know that is never the case. The free market system is supposedly regulated by an “invisible hand” in the form of individuals and entities participating rationally in the markets and always working towards maximizing their own self-interests. But unfortunately, not everyone is rational all the time. When “animal spirits” prevail, bubbles form and recessions follow. And it is not the role of the government to protect the interests of the investors and consumers from the consequences of their actions in the free marketplace. To be fair, governments and politicians do not really care if only the social impact of economic crises is fleeting and minimal. Impact on family structure, quality of life, education and health care, impact on political systems and even the environment. For example, who should guarantee that the grass will always remain green and that the air remains breathable or that the ground water will not poison the trees? Is it the government or the markets?

So, we do need an economic system that will include all human activities and provide a mechanism to buffer social impact of recurring cycles of growth and recessions, while freeing up the markets for unlimited opportunities, big or small.

There is a convergence of new technologies, cultural trends and market forces that could actually be leveraged to provide exactly such a mechanism.

In fact, Goodwill Capitalism is a new theory where I propose a supplementary currency to money called Goodwill Currency or GeeCees, if you will. GeeCees monetize people’s civic, social and market behaviors and are completely driven by markets and the perceived value of those behaviors in the open markets. So people can shore up their social capital by being productive in the markets, exercising their political franchise or even fulfilling their social and civic responsibilities.

This social currency, in conjunction with the existing monetary currency will provide the necessary market mechanisms to help people to recover quickly from social and economic crises – and be productive once again.

Imagine a marketplace where money sustains the conspicuous consumption – so wealth in the form of money reflects a nation’s innovative and entrepreneurial strength. And social currency supports life sustaining goods and services. In other words, wealth in the form of social currency or GeeCees, reflects the nation’s civic and social well being and a measure of its people’s happiness index. And the role of the government will be integrated into the marketplace, maintaining law and order, providing national security and the infrastructure needed to maintain a free flow of trade and commerce and also to facilitate the continuous supply of both the currencies.

The result will be a truly free and open markets, employing hundred percent of its available resources – in a naturally sustainable way – and contributing to the national GDP in the form of social and financial capital which could be exchanged in the world markets.

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Goodwill Capitalism, in other words, is the last remaining piece needed to make capitalism totally open, free and inclusive of all human activities.

Explain the current systems or change it?

Term Limits for elected officials was meant to work as a self-regulating mechanism - to keep them on track and to address important issues quickly. Instead they seem to have paralyzed them with fear, unable to act. These days, our politicians and economists are faced with making huge decisions to get us out of this financial quagmire - instead they are bickering over small stuff and procrastinating over the big calls. Do we watch or do we act?

How do world economies dive into recessions and crises - time and again? How can the people of any country, large or small, relinquish all control of their lives and livelihoods to dictators, authoritarian governments or even corrupt politicians? Pundits tell us It's just Economic and Power Cycles? Yeah, right! Does that explanation really help millions of livelihoods that get tossed into a tailspin during each of those cycles? If you are like me, then you say, don't give me excuses - just don't let it happen, ever again.

Well, that is easier said than done and convenient to blame it all on greed. How about really, seriously finding a way out? Chances are that the solution will not look like anything close to what we have now. Far from it, it will probably be completely new, out of the box and even more surprisingly might actually work. Just think, once we invented ways to get machines do our work for us and computers to do our calculations for us - things that were not even conceivable became possible and accessible to us - the moon, for example - and proceeded to change our lives - for good.

Sounds rational? Or more like a fantasy? Maybe you prefer rational over fantasy? Maybe rationality or the presumption of rational behavior is the root of all our problems. For example, every one of our institutions and market systems are set up for self regulation - by that I mean, we leave very little to be controlled by chance or vagaries of nature, at least in theory. Then why do they fail us so often? Or why is it that there are only explanations for failures but never a lasting solution? Could it be because it is a fact of life or maybe because we can't effectively self-regulate? Could it be that the inherent weaknesses or flaws in the current systems encourage delegation of that responsibility instead of empowering us with it? Could it be that establishing and maintaining even the basic standards of life is so overwhelming to us that we have in essence reneged on the most fundamental commitments, the very foundation on which all our systems are built upon?

The question to ask ourselves is this: Why is it that we have allowed ourselves, as a society, to be placed in such a compromised position that we are unable to satisfactorily fulfill even the very basic, most urgent, most fundamental commitments to ourselves and the society we live in? Take parenting, for example. Good parenting could be one of the most effective regulating measures in any society, to ensure that every new generation grows up to be productive and progressive, nurtured with social, civic and cultural responsibilities. What forces then, are preventing us from being the best parents to our own children that we rely more on the government and other institutions to take care of them?

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Similarly, capitalism works best when individual entities and consumers conscientiously enforce the free market rules and participate rationally in their own self-interest. What forces are in play then, that is preventing us from exercising our roles as free market regulators through rational thinking rather than letting it be influenced by our animal spirits? Ask once again, what forces are at play that time and again we have allowed ourselves to be ruled by corrupt politicians and leaders rather than using the power of enfranchisement to maintain law and order and to sustain effective governments?

The answer for all this, in my opinion, is that our economic systems are missing a key balancing mechanism. It is skewed in one direction and propped in place by a flawed and inefficient mechanism to conduct commerce, namely money or its many derivatives. Let me clarify, no - there is nothing wrong with money in itself. In fact, money reflects the most rational part of any commercial transaction. Just think about it - money can be measured, it can be compared, it can be completely accounted for, it can be multiplied, it can be distributed and it can be exchanged. It does not grow on trees - in other words, every dollar bill in circulation can be traced to its origins and accounted for. But by that very definition it is physical and is also limited - meaning you just can't pull it out of thin air. So what is the problem?

The problem is that while money is so rational, everything we do with money turns out to be irrational. Just think about it for a minute. Where we choose to live, how we live, what we buy, how much we pay for things we buy, why we buy things, why we work - are all driven by passion, emotion, fear, egos and desires - each of those by that very nature - contextual and ephemeral. In other words, the value we place on things that money can buy is driven completely by our animal spirits. How then can we use such a rational mechanism as money as a currency for exchange in an otherwise irrational transaction? Our animal spirits, are limitless and are subjective, whereas money is severely limited and objective. And yet everything we buy with money is priced and marketed to our emotions and feelings - how is that possible? There are of course many different economic, psychological and political explanations for this - but let's focus our attention on the forces and rules that govern the value of goods and services in a free market.

The best products and services sold in the market are produced with passion - maybe built with hard work and conceived with rational ideas - but only passion injects quality and life into a product or service. We all know that if you do not have passion for what you do, you are not going to do a good job. How can you set a rational price for something that you produced with a lot of feeling and passion? Rationally speaking, you can always set the price of any product or service to be a certain percentage more than what it costs you to produce and sell it - right? Why then can the price of Apple products defy market conditions? How can a retailer charge \$50 for an infant's dress while an adult sized Levi Jeans costs you only \$20? (Assuming that all other costs are the same) Of course, we do understand why, but surely someone is always losing in those transactions? Why will it never be economically feasible to produce alternate sources of energy until we have depleted all forms of fossil fuels - even when we know that by doing so, we may be causing irreparable damage to ourselves and our environment? Because it is irrational for businesses and consumers to produce and consume alternative energy when the "monetary" costs far outweighs the environmental, social or health benefits - in the short run. Why is it more sustainable for businesses and governments to work towards producing short term values instead for the long run?

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Maybe it is too simplistic to price the goods and services we provide only in terms of money. Maybe we need to acknowledge and quantify the animal spirits involved in the production, sale, distribution and consumption of every goods and service. Maybe we acknowledge that the factors which contribute to changes in demand and supply are more subjective and irrational than objective and rational. One is limited and fixed and the other is unlimited and relative. Maybe if commerce supports this distinction, it will sort out everything - even the economic cycles.

The solution could be in the form an alternate supplementary currency - catering only to the animal spirits. It should be voluntary, it should be relative, it should be contextual and personal and thereby unlimited. Such a system will empower every individual to maintain and sustain the self-regulatory mechanism in the free markets and political systems. To make capitalism truly self-regulating, money will be used to maintain a rational balance in the demand and supply cycle of goods and services while this alternate currency will maintain the balance in the animal spirits influencing those demands and supplies. While money with its limited supply, can reflect the computable value of goods and services, this alternate currency unbounded and contextual can reflect the subjective value of animal spirits.

If all this makes sense, then please continue to read about Goodwill Capitalism.

Introducing Goodwill Capitalism

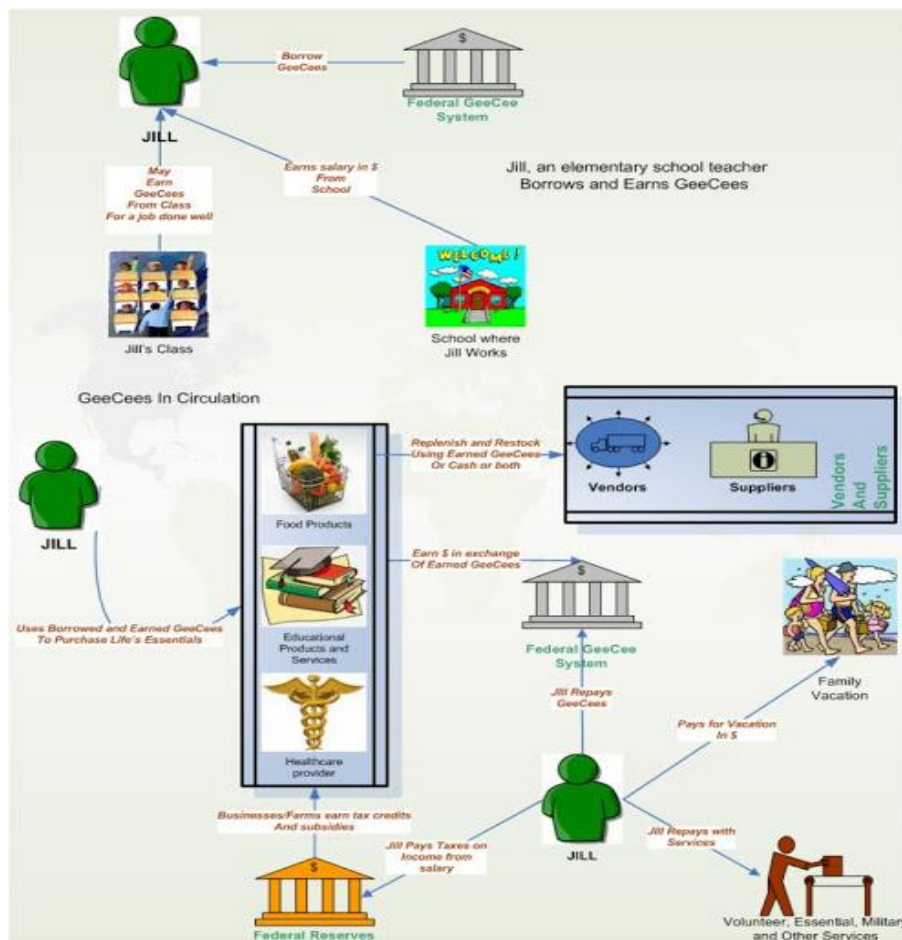
If the many economic systems since their beginnings were allowed to evolve naturally, following Darwin's theory, Money and its role in commerce would have been history by now..into something similar to this... I strongly recommend that you read the earlier post before continuing here.

- Goodwill Capitalism is proposed as a secondary economic system to the current money based economy, in which the goodwill generated between any two entities (people, businesses, government etc.) is quantified, tracked and used as a medium of exchange in commercial transactions. The unit of measurement of Goodwill is called Goodwill Credit or GeeCee, as we will refer to it from here on.
- Goodwill Capitalism is conceived with the express purpose of guaranteeing basic quality of life and lifestyles to every person regardless of their perceived status as a "Productive" member of the society. The word "Productive" is used here in the traditional context of money based economy that implies participating in and contributing to revenue generating tasks and activities.
- Goodwill Capitalism will accomplish this objective by monetizing social relationships, human and social capital using Goodwill Capital a resource that never runs out.
- The commercial transactions that will be impacted in Goodwill Capitalism, to a large extent will relate to products or services which are directly or indirectly associated with sustaining the

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three basic necessities of life - namely Food, Health and Education. But not necessarily restricted to these commercial activities.

- Everyone will have unlimited access to GeeCees, that they can **borrow** at zero or very low percent interest from the government to purchase any produce, products or services that are qualified in the open market as contributing to Life's essentials. These GeeCees are called Borrowed (B) GeeCees. All of the Borrowed GeeCees will have to be repaid, back to the government ***within a fixed time***. The form of repayment can be in Earned GeeCees or in taxes or by rendering different kinds of needed services.
- In addition, every member of the community who maintains an accepted level of social responsibilities by virtue of being a good neighbor, productive worker, responsible parent, good caretakers or just performing basic civic duties can apply for and earn GeeCees from the communities or the government. These are called Earned (E) GeeCees. Somewhat similar to tax credits in our tax system - except that they will be allocated every month or quarter. Earned GeeCees do not have to be repaid. This is one way of earning GeeCees.



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- Earned GeeCees can also be awarded between persons or businesses or governments in return or exchange for their good deeds or for services that have helped in increasing the social capital in their communities. In most cases these will be awarded by people or corporations (Donors) to other people or businesses and sometimes government (Recipients). Think of the many times when you have thanked someone with all your heart and wished you had more to say or give, except that now, you can do so with your Earned GeeCees.
- Some examples of awarding GeeCees are:
 - Senior parents rewarding their adult children for providing care
 - Parents of students rewarding good teachers at the end of school year
 - Employees may reward their bosses for a profitable year or vice-versa
 - Community members rewarding the police officers on the beat
 - Parents rewarding baby sitter
 - Citizens rewarding their state representative for a great job, etc.
 - To good neighbors for taking time off and helping in emergency
 - Utilities Company rewarding customers for saving energy..etc..
- The difference between Earned GeeCees and Borrowed GeeCees is that Borrowed GeeCees have to be repaid, whereas Earned GeeCees do not have to be repaid. Borrowed GeeCees can only be used for purchase of life's essentials and not for any other purchase. Earned GeeCees can be used for purchasing anything that money can buy, including life's essentials.
- Earned GeeCees can only be awarded and cannot be taken or demanded - although those receiving or accepting Earned GeeCees may specify the quantity that they will accept, but they cannot demand to be paid in GeeCees. Basically, GeeCees can only be awarded voluntarily by the person who has received a product or a service or a good deed.
- Earned GeeCees may be used as a repayment to the Government for Borrowed GeeCees or as taxes or simply as a gratuity for good government.

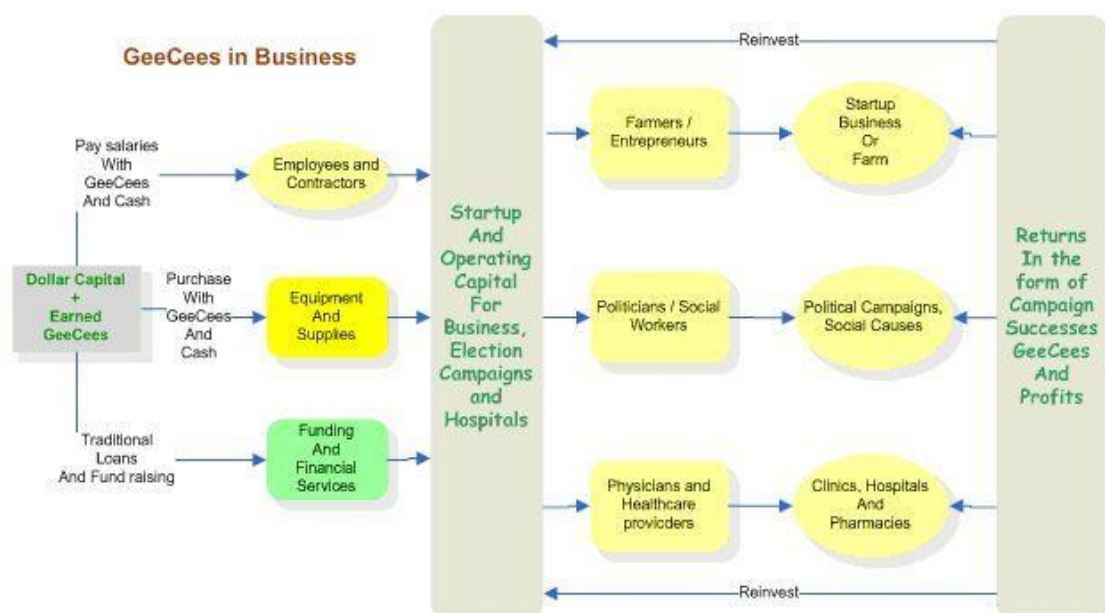
Earned and Borrowed Geecees in GeeCee Economy

- *Hope can thrive in honesty and goodwill when survival is not an issue and obligations are easily met...In the previous sections, I have discussed the need for a new economic system and described Goodwill Capitalism and here I cover the types of Goodwill Currency or GeeCees..*
- Government may build up and measure its own Goodwill Capital in two ways - by the measure of the Borrowed GeeCees that are outstanding and by the measure of its own Earned GeeCees. Businesses can only measure their Goodwill Capital by the measure of their Earned GeeCees. Both are indicative of the goodwill that these entities have earned w.r.t their customers or constituents in the communities that they operate in.
- GeeCees do not carry any denomination or value. You can only specify their quantity in numbers. Their value (purchasing power) depends on when they are redeemed and for what purpose they are redeemed. However, there is a way to calculate and set a specific monetary equivalent value for GeeCees on a daily basis - just for commercial purposes and international transactions.
- Since GeeCees are essentially digital in nature, their usage can be tracked, audited, charted, analyzed, reported and monitored. This makes the system easy to implement and flexible to use. The system can also be configured dynamically when required to respond to new market situations on a real time basis.
- There is no free ride with GeeCees. All Borrowed GeeCees have to be repaid. Therefore GeeCees need to be handed out after careful thought. Every GeeCee will have a unique number and a unique owner that has to be accounted for. Once a GeeCee has been transferred to a new owner, it is given their new unique id and number.
- The government keeps track of all Borrowed GeeCees and reconciles individual accounts at periodic intervals by tallying the Borrowed GeeCees against taxes owed or paid, hours of services rendered after the last reconciliation and Earned GeeCees accumulated for the same period.
- Only Borrowed GeeCees are taxed. Earned GeeCees are never taxed. In other words, GeeCees are taxed only once - at the time of their entry into circulation as Borrowed GeeCees. Taxes are always levied in the form of Earned GeeCees. These taxes are only levied on the Donor. This is to prevent indiscriminate giving away of GeeCees. In addition, every transaction involving GeeCees will carry a nominal transaction fees, again paid in the form of Earned GeeCees, this time by both parties involved in the transaction - that is, the donor and the receiver.
- The Government will keep track of public and private sector jobs and services including military services that could be provided by citizens as repayment for Borrowed GeeCees. Federal, State and Local governments with the help of businesses would also set up many training centers where the prospects could develop skills and undergo training in preparation for whatever

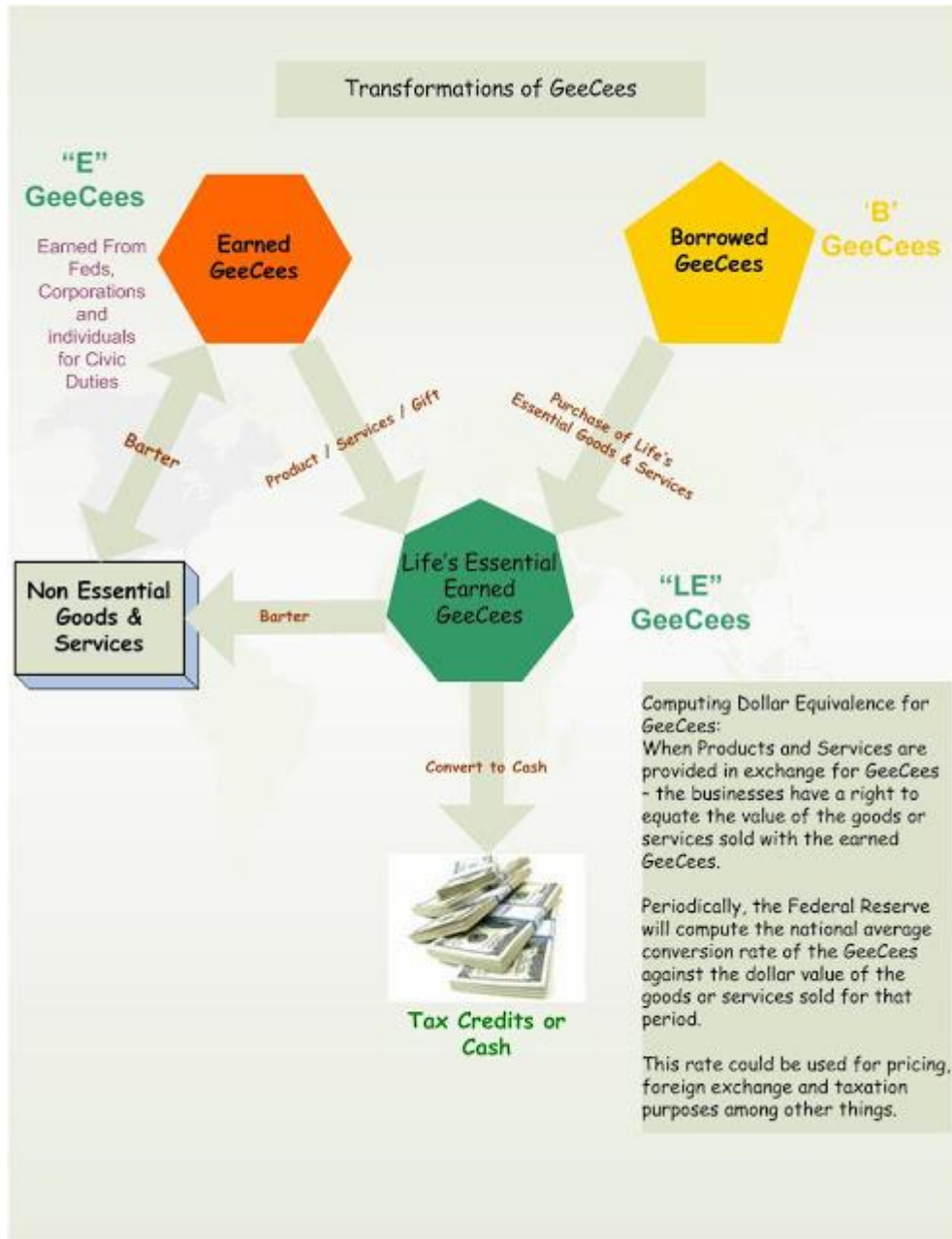
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services that they have signed up for. The centers may also assign workers to urgently needed services during crisis events. In fact, many of the instructors and operators of these training centers should be citizens who are fulfilling their commitment for repayment. This is one way of maintaining a pool of skilled workers at all levels for all times.

- Since Earned GeeCees reflect a person's goodwill earned in their community they may be inherited just like money and property. But there will be a limitation. If the inheritors are dependents (minors, disabled or unable to take care of themselves) then the inheritance will continue until the dependents attain self-sufficiency. But if the inheritors are not dependents, then the inheritance expires after one year. All inherited GeeCees that lapse after the year, will be returned back to the government as Goodwill from the family to the Government - the inheritors may decide how the lapsed GeeCees be used - for example they may donate it to people or institutions of their choice.
- All products and services that are flagged or marked by the government as needed for Life's essentials have to be sold for GeeCees. They may also be sold for money or credit as before, except that if the buyer wishes to pay in GeeCees (Earned or Borrowed) the seller is obliged to sell them for GeeCees. However, it is left to the discretion of the seller as to what the pricing would be. The seller may choose to sell different brands of the same product for different prices in GeeCees. Or they may even wish to give all their products away for GeeCees - but again, all these decisions may be completely governed by the laws of supply and demand, just like the free market economy. In fact, except for the mode of transaction, Goodwill Economy also follows the principles of the free market economy. Typically, the vendor might want to leave both options open for the purchaser of the products. Similarly the buyer may want to pay with cash, even if the product is a Life Essential and is available for GeeCees and that is fine too.



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- Businesses that have sold their goods and services in exchange for GeeCees are eligible to convert their Earned GeeCees (LEs) for cash. All GeeCees that are earned selling goods or services that will be marked as Life's Essentials Earned GeeCees (LEs). The conversion rate would depend on the Money Equivalent of GeeCees on the day that the GeeCees are being redeemed by the company. This transaction can only take place with the Bank or the Government where the GeeCees originated. The details for computing Money Equivalent of GeeCees is not covered here.
- GeeCees could be carried on person for use while traveling. Personalized GeeCee Tokens and Notes could be used, just like cash, for purchase as well as for receiving. Think of these as

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Travelers checks, they could be used at any place of commerce but can be redeemed only at authorized stations or kiosks with monitors. For security reasons, these tokens and notes are designed to be used one time only. In the same way, people receiving GeeCees may not have access to their online accounts. Therefore they may hand over a Receiver Card or Token or Note to the donor who wishes to award them GeeCees. The donor uses the one time card to enter their awards and the receiver later has to approve the transaction to get the credits.

- Penalties and fines for crimes can also be handed out in the form of GeeCees. All of a convicted felon's earned GeeCees will be taken away from them and depending on the crime, additional GeeCees may be imposed as penalties at the time of sentencing. Part of completing the sentence would be to earn GeeCees back from the community in which the crime was committed or in case of dangerous criminals in a secured location. Of course, matters of crime and punishment will be handled in the traditional manner and I am only referring to the handling of financial penalties here.
- All other aspects of Commerce and Government Administration, including Law Enforcements, Justice System and Legislative bodies will remain unchanged. Only provisions will be made to take into consideration the effect of GeeCees at different levels.
- Monitors for monitoring and auditing GeeCees Transactions are an important part of the GeeCee Economy. There will be trained personnel coming from a pool of full time government employees and part time community leaders.

Goodwill Capitalism - Pros and Cons of GeeCees

Pros of GeeCee Economy

- One of the primary objectives of the Goodwill Capitalism is to offer a universal guarantee for critical social welfare or social security programs like healthcare, retirement, pension and education by assigning the financing (not delivery or management) of those services through governments and to leave the wealth creation initiatives to businesses.
- A significant outcome of this division of responsibilities will be increased cooperation and goodwill among the citizens, between neighbors, among families and between strangers. Goodwill Capitalism will empower people, businesses and countries to succeed without sacrificing their lifestyles or core values.
- Remember how business is always about maximizing profits and minimizing costs? Well, with GeeCees, it is possible to achieve both without sacrificing customer satisfaction and founding principles- because a satisfied customer means profits - literally!

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- Goodwill Capitalism might appear to be a huge welfare program - but actually it is a great cost cutting program and empowerment program. Many of the programs are already running in one form or another. Only problem is that the entities picking up the tab are widely distributed between the public, private and the not-for-profit sectors. In fact, because of the many new job opportunities in a GeeCee economy, fewer people than now will be taking advantage of these programs.
- Even though GeeCees are borrowed at zero percent interest rates - it is not exactly true. Yes in a way, if I borrow 10 GeeCees today, I have to repay 10 GeeCees - no matter when I return them. But the exchange value of those 10 GeeCees will be different and will depend on the Money Equivalent of GeeCees prevalent at that time. Of course, conversion of GeeCees to cash is only available to businesses whose industry falls into the category of Life's essentials.
- Many government welfare programs and the work of charitable organizations will no longer be needed. Medicaid, Medicare, Social Security, 401(k), and other retirement programs are not relevant anymore.
- In a GeeCee economy many overheads and legacy costs are eliminated for businesses - at least they will not be mandated by laws. Therefore, business operations become flexible and nimble, with plenty of cash available for innovation and growth and less money tied up for indirect costs. GeeCees act as a price equalizer in a global economy because companies are no longer carrying the overhead costs related to their employees' quality of life and lifestyle needs (which is main contributor to global inequalities). Salaries will reflect the employee's true contribution at work and their value to the business instead of the many add-ons that we have now.
- Employment opportunities increase because there is no more need for permanent employment. Job security is no longer important, because basic necessities are taken care of. Therefore people will choose jobs that they are passionate about. Employer-employee relationships will last as long as it is mutually beneficial. There is no pressure on either to save jobs for jobs sake. Job satisfaction will be at its highest. Seniority does not have the same implications as before, therefore any job is a good job for any age
- Temp jobs will become the main source of employment - again because, there is no longer a need for employees to look for long term jobs. Many menial and low key jobs where there is a high employee turnover can now work temp. Worker ages no longer matters. There is no retirement age - because all of the liabilities go away - except those related to safety. Companies would prefer to retain senior employees for their experiences, if there are no legacy costs involved. People's mobility improves and businesses can respond dynamically to market stimulus because of shorter hiring and firing cycles. Employers may keep a steady pool of trained temps (from the government recommended pool of job ready workers) without worrying about benefits and healthcare.

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- The objective of the government and private service centers and training centers is to remain current with labor requirements and forecasts and then maintain a constant pool of skilled and trained workers available for those positions at all times.
- Productivity increases. People are willing to take risks and explore new ideas. Individual entrepreneurial spirit and innovation will flourish and economy will take off.
- Globalization will continue to thrive, only on an even keel - without the exploitation of labor markets and currency rates.
- Crimes and corporate scandals will be reduced because there is a better chance to succeed being appreciated for good work than for fraud or short cuts.
- Local communities will flourish and environmental and energy issues will be solved. The high costs associated with research and development of new technologies and materials are now subsidized with Earned GeeCees so that prices remain competitive with traditional technology products.
- Governments and politicians may use their Goodwill Capital as leverage to implement new policies and programs. It will be possible for politicians to run longer election campaigns without the need for money, but instead based on their goodwill capital alone. Similarly Governments may be required to build a certain level of good will capital within their own people and possibly with other countries before waging war or taking on controversial international issues relating to trade, environment and humanitarian violations. The amount of Goodwill Capital will actually strengthen their voting power in the United Nations or other international forums.
- Without Goodwill Economy, the population shift from rural areas to urban centers will continue unabated. With GeeCees, population growth will spread out evenly all across the land because people can find work closer to their places of residences anywhere in the country - instead of just around major metropolitan centers.
- Of course, GeeCees will restore consumer confidence. Traditional monetary economy will thrive when people feel confident about their future and consumer activity will increase.

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PROS		
Individuals	Businesses	Governments
<ul style="list-style-type: none">* No Worries about basic needs* Free to innovate, take risks and excel* Learns for knowledge rather than learning towards a career* Works with zeal and loves to work* Incentives to fulfill family commitments and be a good citizen* Equal opportunities to be productive citizens - for everyone, everywhere* No incentives for criminals	<ul style="list-style-type: none">* No legacy costs* Free to innovate, take risks and grow* Quicker to respond to market stimulus* Free to hire, Free to fire without impacting public relations* Focus only on generating profits for shareholders* Guaranteed motivated work force* Profit by doing public good	<ul style="list-style-type: none">* Focus only on the Funding part of Social, Medical and Educational services* Less Regulation on Businesses, smaller and efficient governments* Contented citizens, less crime* Higher productivity, better quality of life, higher GDP* Less Corruption, improved criminal justice programs* Fewer Social programs, better administration.

Cons of GeeCee Economy

- There is increased potential for abuse and fraud. For example, people could keep rewarding GeeCees to each other in a continuous loop which would be fairly difficult to break, if the number of people in the loop is large enough to camouflage the presence of the loop. However, the auditing features and the digital track record will eventually bring it out in the open. A good analogy would be the frequent bubbles and market corrections that repeat in the free market economy. Regular monitoring should be part of the implementation process in a Goodwill Economy.
- There will still be bums who may never want to work. Every society ends up with few delinquents who are emotionally unstable or addicted to some behavior or drugs that they cannot function well in society. It is possible that such people will only be encouraged to continue in their behavior, because of the security blanket that GeeCees provide. But such people will always be there in any society. GeeCees actually helps out family, friends and caretakers of such persons by allowing them the flexibility to take time off busy schedules and help them in a pro-active manner.
- In many success stories, it is the fight to survive that brings out the best in people - or the worst as well. I am not sure how a security blanket such as GeeCees will help motivate people or challenge them. But if you look at people in any society, the really aggressive entrepreneurs and inventors are a small percentage of the overall population. These types will continue to be

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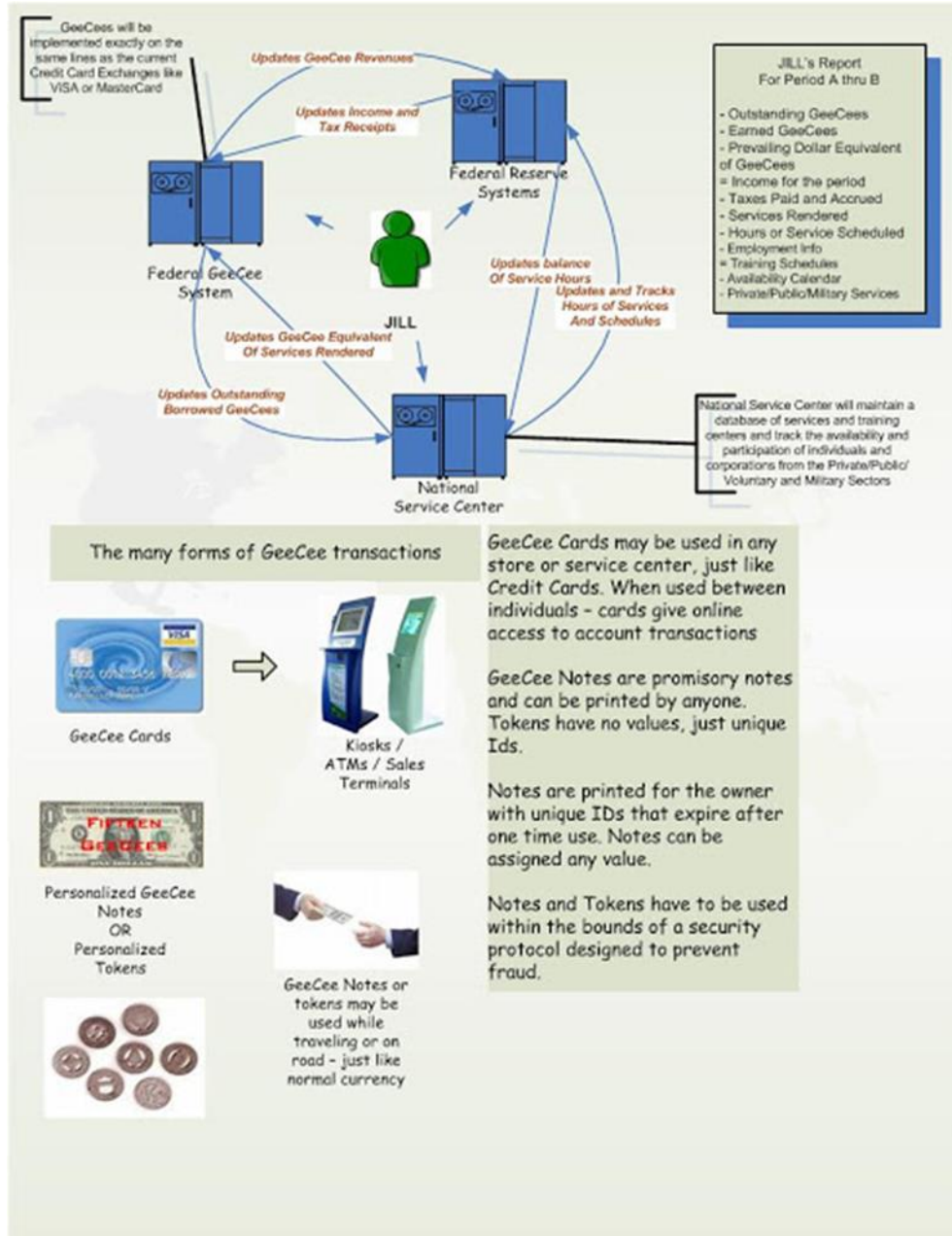
motivated and inspired professionals and entrepreneurs even in the GeeCee economy. My guess is that there will be many more success stories because of a revitalized and cooperative marketplace.

- Will there be any incentives left for students to pursue the rigors of professional studies or training such as those required for physicians, lawyers, soldiers and scientists to name a few? Or will everybody take the proven, easy path because there is really no need to burn that midnight oil? I believe that GeeCees or no GeeCees; people will always seek out challenges and overcome them. The good thing about the Goodwill Economy will be that only the most committed individuals will pursue such rigors and therefore we might end up with the best professionals that we can ever hope for.
- People always seek power and recognition. Money is power. Can GeeCee counter it? Well, I don't know. It all depends on the implementation. I believe that we will have to create new sources of power and recognition for those who continue to battle it out for wealth. Just as there are GeeCees for parents being good mothers and fathers, there should be GeeCees for professionals and workers for meeting and exceeding their objectives and goals in the financial world.
- As I mentioned in the Pros section, governments and politicians may build up Goodwill from their people - but there are some tricky issues when it comes to comparing who has built up more capital. For example, a country or state with larger population may have built up larger Goodwill than a country or state with sparse population. How do you say that the X number of GeeCees from Country 1 is equivalent or weightier than the 3X number of GeeCees from another country? I have discussed many ways to take care of such situations, but for now, let's consider this as a possible problem.
- There is also a big potential for people making a good situation look bad, only to come back and remedy the bad situation just so as to earn GeeCees. Basically, fake a good deed in order to earn GeeCees. For example, a fireman actually setting a building on fire and then rescuing the people in the building - or a teacher not covering important topics until the end of the semester and then working overtime to help out the kids in a desperate situation - of course, there are safeguards in our system even now, about taking care of such situations, but there is a potential for abuse, if the oversight is not strong enough. That is why I recommend that the oversight committee or the monitors should not only be in powerful positions, but they need to be well trained and there should be remote auditing of the system as well - that is, monitors who are not from the same geographic area as the people that they are auditing.
- Governments and markets could still combine against the common good by tightly controlling the product mix that can be marked as life's essentials - but in the end people can still vote with their GeeCees and money.

Implementing Goodwill Capitalism

- Goodwill Capitalism will be implemented as a networked computer system using web services and mobile technologies - on the same lines as VISA or MASTERCARD - with a few crucial differences that I will not go into detail here. The technology to develop such a system is already in place. In fact we can even reuse most of the hardware and software technology that is already well tested in the market. Most of the transactions will take place online using kiosks, GeeCee Cards, Tokens and Notes. But there will also be instances where a manual system will be needed to be implemented if there is no access to computers and internet or network systems.
- As a first level of action, we must start identifying produce, products, services and roles that are to be flagged as Life's essential. Care should be taken to respect regional, religious and cultural preferences. This will be just like configuring the system with procedures, roles, products and services that for all practical are essential to maintain basic standards of living. Think of this as similar to a digital code book of a large HMO for its qualifying procedures, physicians, hospitals and the subscribers.
- A manual system needs to be in place, to support communities where there are no communications lines or power will be first developed - in the form of configurable implementation procedures and development kits. They must be able to capture and transmit data (manually or digitally) to a central system from physically discrete places and to be set up to post and save transactions. The system must be able to print out GeeCee notes and checks or stamp out GeeCee tokens for every member. The Notes and the Tokens will either have the picture of the bearer or the ID number. As with Cash or bills or checks the GeeCees may be exchanged physically. But they do not take into effect unless the transaction is entered into the system by taking the earned GeeCees into a bank and depositing them. At which point you may get Earned GeeCees notes, tokens and checks of your own that you can use. You may use different color coding system to differentiate between Earned and Borrowed GeeCees.
- Pilot run or Test Run. There is already a place on the internet where we can try out the concept of Goodwill Capitalism. We can piggy back on any one of the many virtual worlds like Second Life or Kaneva or better create a new one configured for Goodwill and Traditional Capitalism just to try it out through a couple of economic life cycles. It would tell us much about citizen behavior in adapting to the new economic system.

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Footnote:

The current infrastructure for financing, producing, delivering and managing healthcare services, food products and services and educational services will continue as before without any change. This is because, the money based system will continue as before without interruption or changes. Even in a Goodwill Economy, people will still be able to purchase health insurance and companies still may

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provide retirement benefits. Current investments in the insurance industry infrastructure will continue to be used in the parallel economy.

You don't need to stretch your imaginations very far to understand that everything will continue to work just the same as now, even in a Goodwill Economy. But the big difference will be that almost everyone will get the opportunity to thrive, prosper and contribute in the GeeCee Economy - many times more than the those fully participating in the money based free market economy.

Finally, I would like to invite everyone on this forum to participate in a healthy dialog. More often than not, economy has played a central role in wars, revolutions, disruptions and motivation. Whenever a new idea is presented on that subject, the least we can do is to deliberate on its merits and demerits and continue to innovate and discover new ways to live.

Questions on Goodwill Capitalism

*Before going into more details of how a GeeCee Economy will work in real life - I am going to address some **questions** and **concerns** raised from my previous posting on Always On - over a hundred and fifty comments and questions were raised. I have tried to combine them into easily manageable groups and questions here*

If I have to introduce the essence of Goodwill Capitalism to someone, what would it be?

Essence of the GeeCee Economy is to free businesses from social responsibilities like employee health and retirement benefits, so that they can respond to evolving market conditions with competitive agility and flexibility. It also guarantees unfettered access to healthcare, education and nutrition to every citizen, if and when they need them - thereby freeing people to capitalize on their resourcefulness, skills and knowledge to innovate, invest and invent - and finally, it will reduce the impact of the legislative and political branches of government on matters related to social welfare, health and education so that the implementation would be efficient and fiscally responsible.

The best way to achieve this is by separating the processes and tools for wealth creation from the processes and tools for developing social infrastructure and well being. The transport mechanisms for the two different process and tools are the two currencies, Money and GeeCees respectively.

The result will be near 100% full employment and phenomenal growth spurt in the markets - which in turn will fund the GeeCee Economies.

So, why do we need a new system?

In conceiving the idea of Goodwill Capitalism, I am trying to address what I perceive to be an urgent social dilemma facing our modern civilization:

*Should society look on passively as a large segment of its residents have no means to live, even as it guarantees the right to life for everyone? If not, then can society guarantee basic necessities of life to every resident **WITHOUT** taking away **ANYONE's** personal quality of lifestyle choices?*

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As long as we are working within the current constraints of the monetary system, I believe that balance cannot be achieved without compromising the right to life for some over quality of lifestyle for others. In a money based market economy, private enterprise has never placed serious emphasis on solving social problems and governments have been very inefficient in solving them. That is where Goodwill Capitalism or whatever we choose to call it, will provide two separate but transformable currencies for conducting commerce - one to guarantee and sustain basic necessities of life leaving the other (money) to create wealth and quality of lifestyle. It is important to note that Goodwill Capitalism is not just about rewarding good deeds - it is about empowering individuals and entities to choose the values they cherish and reward ANY products or services that enhances or delivers those values.

Why now?

As an advanced society, we have reached such a high level of complexity and inflexibility that every additional improvement in our quality of life can only be achieved by paying a very high marginal cost in terms of environment, natural resources or infrastructure. This is clearly evident in the way our financial system is structured. Money can no longer service the needs of the modern civilization in its existing form alone. However, instead of creating alternate forms of generating prosperity, we have developed a patchwork of systems such as financial derivatives, market exchanges and banking systems (fractional reserve banking, is a case in point) - all of them layered on top of monetary system so that a collapse in any one of those layers could easily trigger the collapse of the entire system. This is not the first time where advanced civilizations become increasingly complex that they collapse on themselves. Anthropologist and historian Joseph Tainter has explained this phenomenon very well in his 1988 book *The Collapse of Complex Societies*. Money in its current form has outlived its usefulness. Because even after digitizing money to a large extent, it is still severely constrained by its physical and material origins.

What has changed now to make a new system possible? The technology has progressed, communications and connectivity levels have broadened and we can have a digital currency unconstrained by any physical formats, that can be ubiquitous and unique at the same time.

But the most significant reason is that culturally we have begun to accept and monetize social capital.

Why do we need an additional currency? Why not find a way to use the same currency to achieve what GeeCees are set out to do?

Money in its current form is essentially a metric for material wealth. Its sustained impact on human psyche cannot be ignored and cannot be changed. Historically, money has been the means to accumulate wealth and power. The proverbial "invisible hand" that is supposed to regulate the market forces in free market capitalism, did not always work as expected. Because to be a real power player in a money based market economy, many other aspects beyond intelligence, hard work, rational thought and selfish interests seem to have played a significant role - things like corruption, deceit, violence, wars, even timing and often times pure luck - things that often eluded the majority of aspirants or things that many actually avoided on the basis of honoring ethical principles and common values.

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It is in this state that the majority of the free market participants find themselves - trapped within their own boundaries of convictions, principles, religion, country, values, knowledge and time but yet their innate skills and talents are still worthy enough to produce much more than what the opportunities allow them to - because in order to break out and produce more using their best skills - often means to risk everything, their future, their conveniences and their values. *Consequences of failure or so devastating and long lasting that fear of failure keeps many from even trying.* It is true that of all the economic systems, capitalism is the best option available where given enough time, spanning many, many generations, more and more nations and their people would rise above the poverty line and enjoy some level of basic quality of life and lifestyles. But as long as money is the only form of currency, this economic system can never guarantee that everyone of these entities, be it individuals, businesses or countries, will be allowed to participate with one hundred percent utilization of their naturally gifted individual resourcefulness, talents and skills.

A lot of these limitations have been because money has been backed by seriously limited resources such as gold or other precious metals (which by that very definition is rare or limited) and more recently by a nation's promise (fiat currency). *This has resulted in phenomenol and unfettered build up in debt, be it at national level or at individual level.* Therefore, instead of gold or money, what we really need to build up now is social or human capital - something we all closely relate to and value immensely. Human capital is the capital that is created out of our ingenuity, service, knowledge, usefulness, nobility, goodness and potential. It is personal, it is individual, it is unique and it is profound in that it is backed by living and breathing humans and not by some metal. And as long as they are living, their social and human capital will be backed by the goods and services that they produce and the knowledge and skills that they possess. All of which can be delivered upon demand - which by itself is significant in the modern day service and knowledge oriented economy. Best of all, it is built up on shared values that are also lasting. Until now, this capital has been ephemeral in nature. But with digital currency, we should be able to record (or preserve) and track human capital along with it's lifecycle from its inception onwards and use it as an exchange in commercial and social transactions. That is why we need GeeCees, an alternate currency backed entirely by human capital.

Since we cannot get rid of money without severely disrupting the global economy, it will continue in it's current role, to provide incentives for wealth building and accumulating property. However, GeeCees will be used to build the nation's human capital, untethered by market manipulations.

How does Goodwill Capitalism comply with the basic tenets of Free Market Capitalism?

Laissez Faire (and implicitly, Smaller Government)

When wealth creation activities are decoupled from life sustaining activities the need for government control over market activities no longer exists - except when it concerns national security, infrastructure and to protect life, liberty and property. Businesses operating in the Goodwill Economy have greater

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incentive to operate honestly and to work within the rule of law, so that governments can focus less on regulating and more on maintaining law and order. Even in addressing complicated issues such as energy, environment or climate, the free market in a GeeCee Economy has more incentives, opportunities and means to innovate and try newer and safer products than in the current money based economy, where the myopic emphasis on the bottom line and shareholder returns forces corporate strategy and policies.

As such, government function will be limited to security, infrastructure and basic amenities. Consider that almost 60% of the current National budget is allocated to funding and servicing of Welfare Programs, Medicaid and Medicare. Then there is additional staff required to oversee and regulate those programs as well. In a GeeCee Economy all of those programs will go away.

Just imagine, there will be no government run schools and there will be no public health centers. Agree that the GeeCee system itself will need funding to upkeep its own administration, regulation and oversight. Of course GeeCee Economy itself being a computerized system will also require its own staff and infrastructure. But that would be a fixed cost and will be just a very small percentage in comparison with the current federal, state and local social programs.

Freedom of choice (to choose quality of life)

Actually, let's examine what kind of freedom we really have in the current system. All I know is that everyone growing up in the system accepts one law and that is to understand that all choices have consequences and that you are accountable for the choices you make. Apart from that, what kind of freedom of choice do we really have? Can you live wherever you want? Can you take a vacation whenever you need one? Can you take a sabbatical from work for a few months in order to be with your child when they need you most, maybe to help with their emotional or personal issues - or do you just watch helplessly from your tight work schedule, as your child goes into depression or even slowly regress into drug addiction? How often do you see people choosing professions not because it is their passion but because it can guarantee them long term financial security and a consistent lifestyle?

Take the example of retirement benefits. People live frugally for most of their lifetime, always saving for the future and planning for a better lifestyle after their working life is over. But, what kind of a choice is that? Here is a system that forces all of its citizens to make huge sacrifices for most part of their early lives hoping that nothing bad will happen to the economy to bust their nest eggs when they really need it. And then time and again we have seen that either because of the vagaries in the financial markets or because of natural disasters or more commonly because of changing market conditions, all that they had worked for and saved for ends into nothing. Therefore, at a time when you planned to have it most, you lose that very same freedom of choice for reasons that are not once-in-a-lifetime occurrence or a perfect storm but probably because of any one of the commonly recurring disruptions in nature, market conditions or political climate. What kind of freedom of choice is that?

In a GeeCee Economy, where there is no dependency between wealth creation, lifestyle choices and quality of life, people will be free to make their choices that impact their lifestyles without impacting their quality of life, all within the constraints of market conditions, family obligations and responsibilities. There is an implicit incentive provided in the GeeCee System that fosters a cohesive

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family structure - but there is more freedom to live the lifestyle you choose, there is more freedom to plan and live your life anyway you want.

Consider education for example. In a GeeCee economy, there will be no public schools at any level.

Every school will be privately run. Possibly in the early transition period, seeding money for infrastructure may be provided from public funds. But every school has to compete for students. And parents will have a choice to pick the best schools for educating their children, no matter how expensive it is - because they can pay with money if they can afford it or pay with earned GeeCees or even borrow as many GeeCees as they need to. If that is not an example of freedom of choice, what is?

Demand and Supply:

When the only choice to transact commerce, namely money, is limited in supply and difficult to accumulate - it is impossible to have a completely free market solely governed by the laws of demand and supply. We have seen repeated instances of market manipulation of prices simply by manipulating demand and supply - using mechanisms like hoarding, slowing down production, monopoly practices, dumping the market, insider trading, speculation in options trading and many other practices. And then there is the manipulation of market conditions using the legislative power of the government - using laws that restrict trade, subsidies, government regulations and controls, controlling money supply and foreign exchange is a good example . What is more disturbing is that it is very common to see the markets being manipulated in this way, particularly when the product or service in question is of very high significance or life sustaining - consider health care, oil, energy and food (agricultural produce). True forces of demand and supply only works when the goods or services are of casual or insignificant value to our quality of life - think of diamonds, clothes, cars etc.. Show me a product or service that is of extreme importance to our lives, and I can show you a hundred laws controlling its production, its distribution, manufacture or even consumption and I can also show you a selective few from the market players who have used short cuts and loopholes to manipulate the demand and supply and thereby control the prices of those goods and services .

In a GeeCee Economy, there may be more wheeling and dealing trying to categorize products and services as life sustaining or even to remove them from that category - but the incentives to manipulate the demand and supply markets will no longer exist. There will still be attempts to manipulate the supply chain - but its impact on our lives would be voluntary and minimal. If something is life sustaining then the market is assured of an unlimited and well funded consumer base and the market gets a chance to earn goodwill out of the situation that it can capitalize elsewhere in the supply chain. If something is not life sustaining, then the market is free to play the market without impacting everyday quality of life.

Right to own property, Maximize Profits, Competitiveness

GeeCee economy will not prevent anyone in any way from owning properties or businesses from maximizing profits - because there are no restrictions in how you run your business or what you do with your earnings - particularly how you earn money. Yes, there are restrictions on how you earn your GeeCees - but those restrictions do not impact what you do with your money - which can always be used to purchase property. There might be a concern that for businesses involved in producing life

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sustaining goods and services, these restrictions will constrain them from maximizing profits or remaining competitive. But in reality, GeeCees actually increase their competitiveness and maximizes profits. Their products and services are no longer required to be subsidized. They can charge any price (in money and in GeeCees) because there are no shortage of consumers. Their pricing strategy will only be governed by their intent to maximize profits and to remain competitive - rather than by government stipulations and program restrictions. If customers cannot pay the price with their money, they pay with their Earned GeeCees. If that is not sufficient and they still need to consume the life sustaining goods or service, then they can always borrow the GeeCees. Whats more, the government will reimburse their GeeCees with money if they cannot circulate them in the market. Therefore if you look closely, GeeCees will help business not only to grow but also to remain competitive and shield from market manipulations.

As for the market not directly involved in producing life sustaining goods and services, nothing changes - actually, GeeCee economy will improve market conditions for them because there will be more money in circulation and Earned GeeCees will also add to the consumer purchasing power. Emerging markets and new technologies can operate competitively from an early stage helping the market to self-regulate, particularly in the areas where the social and environmental impacts are long term and not easily tangible. *Grishms law - cheap money destroys dear money:*

Finally, the question often brought up is that - are GeeCees a form of Cheap money? Is it freely available for distribution and circulation? The answer is no, it is not. All GeeCees can only be borrowed or earned. There is no free GeeCees. From the time that someone borrows GeeCees - to pay for their education, health care or nutrition - the repayment clock starts ticking. They have a limited period of time to start repaying it or to engage in activities that will service those borrowed GeeCees. For example, the repayment clock might be set for 6 months from the day that they borrowed GeeCees to look for a job or be engaged in a productive activity - either in an industry of their choice (a choice that they can make at the time of borrowing the GeeCees) or what ever is immediately available. If they have made a choice in a line of work that they don't have experience at all, then they have six months to get trained in that profession.

In general, the factors that push people to borrow GeeCees for their sustenance could be widely varying - illness, accident, family problems, professional burnout, downturn in business, changing professions or layoffs or such and every time, the individual borrower may set up their own repayment parameters as to how long they expect to be in that situation or even the profession they would prefer to return back to work for repayment, or choose the industry or even location that they are interested to get back to work in. In other words, they can chart out their roadmap to fiscal recovery each time they borrow GeeCees.

In a GeeCee Economy it will be much easier to stay productive and employed - because the constraints on businesses that are hiring and on the worker who is seeking work - are minimal if not none. Constraints such as long term employment, benefits, insecurity etc.. will not be significant, if non-existing. And self imposed constraints such as professional bias, personal bias, distance, enjoyable work etc can be tolerated because they can be made temporary by looking for alternatives. In other words,

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because of the fact that employees and employers do not have to consider long term impact of their relationships, people may quickly get back into workforce just to begin their repayment process, while they continue to look for better and more conducive employment opportunities. All this increases the chances of repayment of Borrowed GeeCees.

Secondly, there is an interest on the borrowed GeeCees that has to be paid. Even if the interest is very low and fixed, its very existence and application is an incentive to repay early. GeeCee economy offers many opportunities to repay debts and therefore there will be a natural tendency to repay them early and move on with our lives. For example, there will never be an age limit for earning a living in the GeeCee Economy - because people can earn GeeCees by providing well needed services in the family, neighborhood or even in the commercial establishments. In our current system, there are fewer opportunities and fewer ways to repay debts and therefore debts keep growing until one has to file for bankruptcy putting the lender as well as the borrower at risk. That in turn hurts the economy.

Another way to accumulate GeeCees is by earning them. By that very definition, the recipient of Earned GeeCees has to have engaged in some act or deed that is of some value to the donor or their business or family. At the same time such an activity might not be revenue generating and therefore may not attract monetary compensation, but still warrant payment with Earned GeeCees. In order to limit GeeCee transactions more meaningful and productive, there is a high fee on all GeeCee transactions - which makes giving away GeeCees for nothing, a bad move. Think of this tax as a consumption tax. The donor has received some goods or services from the receiver and therefore has to pay the consumption tax or sales tax. The receiver does not have to pay any tax on the transaction, until he uses his earned GeeCees to consume some other goods or services.

NOTE: Goodwill Capitalism is a work in progress. This article lays the foundation. I will be adding the details such as how to fund this system – think Sustainable Natural Resources and Sustainable Human Capital – and will also add details of the technology and software architecture needed to implement a Global Currency Exchange Mechanism – which will be the backbone of the GeeCee Economy. I will also be posting my projections on a year in life of a GeeCee system, in later articles.

I welcome all criticism questioning the validity and feasibility of such a system.